OUTFITTING OVERVIEW

CENTRAL LABRADOR REGIONAL TOURISM PLAN

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August 29, 1989

Ms. C. Murphy
Government of Newfoundland & Labrador
Dept. of Development and Tourism
P.O. Box 4750
St. Johns, Newfoundland.
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Dear Ms. Murphy

Re: **Central Labrador Tourism Plan - Outfitting Overview**

Please find attached one (1) copy of the Outfitting Overview, a supporting document to the Tourism Plan, devoted to this sector.

As the document notes, this report should be viewed as a series of excerpts from the overall Tourism Plan developed for the region. These sections have been compiled into one document to facilitate the interests of the outfitting sector. Our past discussions with the Steering Committee confirmed that this was to be the format of this supporting document.

The final chapter in this overview summarizes a number of issues which were raised as a result of the study process and indicates, where suitable, how the Northwest Territories have dealt with the issue.

We trust that the above meets with your approval and hope that the delay in ascertaining Mr. Vaughan's comments did not cause you any difficulty.

We have enjoyed working on the Central Labrador project and wish you and all others involved the best success in implementing the plan.

Sincerely

MARSHALL MACKLIN MONAGHAN LIMITED

H.L. French
Vice President
Planning Division

HLF:br

Encl.

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PART III -

1.0 INTRODUCTION

This report represents a number of excerpts from the Central Labrador Regional Tourism Plan as they pertain to the outfitting sector.

As the larger regional tourism plan evolved, it became obvious that an independent report dealing with the outfitting industry alone was not appropriate. As such, under Steering Committee direction, outfitting was dealt with as a sector within the framework of the overall report. To facilitate the interests of the outfitting industry, a number of excerpts from this larger document have been compiled in this overview. It must be reorganized that resultantly, this material is often duplicated in the main Tourism Plan document.

This document presents the following information:

- A review of Canada's outfitting product; that being the fishing, hunting and wilderness adventure sectors.

- A review of Central Labrador's outfitting industry and the issues which are key to this sector.

- A summary of marketing and development activities which were recommended in the Tourism Master Plan, a number of which pertain to the outfitting sector.

A number of issues were raised as a result of the study process - issues which are of a scale or complexity that cannot be dealt with in a document of this nature. The last chapter in this document does, however, discuss these issues and where suitable describes experiences of the Northwest Territories which have some relevance to the situation in Central Labrador.

2.0 REVIEW OF THE NATIONAL PRODUCT

This section highlights the character of the outfitting market in Canada, trends in the marketplace as well as an overview of the activities being undertaken elsewhere in Canada by the sector. More detailed analysis of the marketplace is found in the Appendix to the Plan.

2.1 FISHING MARKET

a) Market Character

- Studies in Northern Ontario[1] and the Northewest Territories[2] have concluded that fish attributes i.e. size abundance and uniqueness are the most important feature of a sport fishing destination. Other key influences are the helpfulness/quality of staff, cost of vacation, comfort of accommodation, quality of food.

- A survey of the Manitoba Fishing Industry[3] determined that one third of northern operators felt the single most important factor in attracting guests was the opportunity to catch certain large fish. As well, 66% of the operators have experienced significant increases in business over the past five years and 75% expect increases in volume in the next five years.

- Clients are typically middle aged males possessing above average income.

- Primary sources of visitation to Labrador and Quebec destinations are the North Eastern United States, Ontario and Quebec.

1) *Ontario Ministry of Northern Affairs, the Fishing Hunting Lodge Industry in Northern Ontario, 1979.*

2) *Topolinski, D. 1982. Regional Income Analysis of the Northwest Territories Fishing Lodges, Department of Fisheries and Oceans.*

3) *Manitoba Department of Natural Resources and Business Development and Tourism Manitoba Commercial Sports Fishing Industry Study, Fishing Performance Data, 1981.*

- The demand for fishing in Europe is very high.
- The competition for fishing in Europe comes from Scandinavia and Great Britan.
- Fishermen generally want to fish and have little interest in packages which combine fishing with other activties e.g. sightseeing.

b) **Market Potential**

Canadian Markets

- In 1984 Canadian statistics indicated that 6,485,000 Canadians travelled to fish and hunt; this constituted 8.4% of the travel market. When compared to 1982 statistics this indicates growth of 2.1% during this time period. Further this data indicates that these activities have attracted a slightly greater percentage share of the total travel market. This growth follows a period of major declines in the sport.

  If we apply U.S. statistics which break down fishing and hunting to a ratio of 77:23 respectively this would indicate that Canada's present fishing market totals 4,993,450 trips.

- Nine percent of Canada's tourism foreign exchange revenue is derived from visiting fishermen who annually spend $300 million.
- In an article published in Sports Business Trade Magazine of Canada in October 1986, Canadian fishing tackle distributors estimated that tackle sales have increased from 15% to 30% in 1986. Increase is attributed to such factors as an increasingly knowledgeable and sophisticated consumer, to success of product awareness promotions (fishing derbies) and the popularity of higher end products.
- Furthermore, in the August 17, 1987, edition of Tim Rennie's sports letter (an industry trade publication on the sporting goods market) it was determined that the fishing tackle trade in Canada experienced its strongest year (in sales) ever in 1987, with most suppliers, wholesalers and retailers predicting growth through 1988. As well, supplies estimated that the

Canadian market, at the present time and for the past three seasons, has been outpacing the U.S.

- By province, the strongest participation is shown by Ontario residents at 48.7% of total Canadian trips. Using the U.S. breakdown, Ontario generated 2,430,890 trips and this would constitute 6.7% of all trips taken by Ontario residents.

  Compared to 1982 statistics, growth has been shown in person trips (by 10.6%) and in terms of the share this type of travel constitutes of the overall resident travel market. In terms of population, non resident fishing statistics for Ontario indicate that in 1982, a total of 660,000 persons obtained non resident fishing permits.

  Growth in Ontario resident participation is further evidenced in Ontario Federation of Anglers and Hunters statistics, which show increases in membership by 8% from 1985 to 1986 alone.

- Quebec shows the second strongest resident participation in wildlife activities after Ontario. In 1984, a total of 1.13 M person trips were attributed to hunting and fishing activities. If we use the U.S. breakdown, this would represent a total of 871,640 trips for fishing purposes by Quebec residents.*

  Further, 85% of these trips are taken within the province itself. When compared to 1982 statistics, this represents a growth rate of 16.8%. The Quebec fishing population generates 4.3% of all person trips in the province, this means that fishing is less of an interest (compared to other activities in the travel population as a whole) than in Canadian and Ontario markets or that fewer trips are taken per year by fishermen in the province than elsewhere. Despite this fact, the percentage that fishing generates of all travel has increased substantially from 1982 to 1984.

* *The Quebec hunting and fishing publication Sentier Chasse Peche is more optimistic, estimating that 1.5 M anglers exist in the province. The Quebec Ministry of Leisure, Hunting and Fishing estimates 1.1M fishermen exist in the province.*

Data indicates that the Quebec fishing market is predominately male (58%), is comprised of persons aged 25 to 44 (44%), married (53%) with 26% having family incomes of $45,000 or more.

- Other provinces which have stronger levels of interest in fishing (using the U.S. breakdown estimate) include Manitoba (475,000 trips), Alberta (437,000 trips) and B.C. (377,000 trips). These markets have shown declines of 19.7% from 1982-1984 while their Ontario and Quebec counter parts have more than compensated for this drop.

U.S. Market

- The Gallup pole indicates that 31% of American households participate in sport fishing for a total of more than 26 M persons. Other data indicates that this percentage is closer to 28% and that fishing has shown growth in U.S. markets of 7.4% between 1979 and 1982. It is the third most popular activity after swimming and bicycling.

- In 1986 we had 13.6 M American visitors to Canada. Given the average participation statistics presented, this represents a total of 4.02 M Americans who have the potential of fishing in Canada.

The U.S. Pleasure Travel Survey data presented earlier indicates that 29% of the outdoors market is interested in hunting and fishing. If we assume 77% of this is fishing rather than hunting oriented, this would indicate that **22.3% of the U.S. outdoor market or 1.09 M Americans have potential to visit Canada to fish.** This figure would seem to be the more realistic given that the propensity of the population to travel to Canada has been factored into this statistic.

To further substantiate the interest in fishing activities, one has just to look at the proliferation of fishing publications and their associated circulation.

Geographical analysis of the largest publication, Field and Stream indicates strongest circulation in the East North Central and South Atlantic regions of the U.S., followed by the Middle Atlantic and West South Central regions of the U.S.

Overseas Markets

In French markets, it was estimated that 9% of this travel market travel to Canada to fish, whereas at other destinations this same statistic is at 16%. **This would indicate that as a country presently we are not penetrating this market to a high enough degree.**

If we apply the 9% statistic to the appropriate market category as defined in the previous section, this would indicate a **total market potential of 54,000 persons.** If we reached the 16% level this would increase to 96,800 persons.

In France and German markets, interest in fishing activities is at 21% of outdoors markets or a total potential of 198,700 persons. This is the highest participation rate of any of the explored overseas markets.

U.K. markets indicate interest at 14% of the overall market for a total potential of 64,000 for Canada in fishing activities.

The Japanese markets did not show strong interest in fishing activities for Canada as a whole at 5% or 30,550 persons.

c) **Competing Opportunities**

The market potential estimated earlier has a varied and extensive selection of sport fishing opportunities in Canada. In addition to this there are numerous opportunities in the U.S., Scandinavia and Great Britain.

Appendix B attempts to highlight significant Canadian opportunities, while the following listing gives more detail on select destinations.

- **The Northwest Territories offers a range of fishing opportunities from lodges on Great Bear and Great Slave Lake with an average bed capacity of 34 per lodge, to smaller camps in the Keewatin with an average capacity of 11 beds.**

- British Columbia opportunities include En Route Adventures which offers a series of fly-out fishing packages marketed as "Charlie White's Fishing Adventures". In total, more than 14 remote lodges in B.C., the Yukon and the Northwest Territories are represented by this interest alone. Examples

of destinations, the packages offered and amenities provided are listed below:

- Big Spring Sport Fishing offers trophy fishing at Rivers Inlet for five (5) species of salmon, halibut, ling cod and red snapper. Accommodations are in a 20 000 square foot floating lodge outfitted with modern bedrooms, lounge area, showers and washrooms.
- Fishermen's Inn is located at Shearwater in the Bella Bella area. Trophy size salmon, halibut, ling cod and cutthroat trout are available. Each room in the modern cedar lodge offers private bath and balcony. Access is by ferry, seaplane or airplane.
- Nimno Bay Resort is located 20 minutes by float plane from Port Hardy. The lodge is modern and offers accommodation for eight guests, sauna and hot tubs. Freshwater helicopter sport fishing is offered (Jet Ranger Service) to groups of four to eight.
- Sandspit Inn is located on the Queen Charlotte Islands and offers 51 deluxe rooms and dining room, lounge facilities.
- Nootka Island Fishing Camp is located on the remote West Coast of Vancouver Island, a 1½ hour flight on scheduled or chartered float plane. Chinook and coho salmon fishing is offered with "family style" hospitality. Accommodations include five (5) twin and fifteen (15) single rooms, showers, laundry facilities, family room.
- Sailcone Wilderness Fishing is located at Knights Inlet, 175 miles northwest of Vancouver. A pine and cedar floating lodge accommodates up to eight guests and may be booked for exclusive use.
- Stuart Lodge and Trembleur Lake Fishing Camp offer a seven day and night combination fishing, hiking and sightseeing holiday as well as a 3-day/night fishing expedition.
- Plummer's Lodges (Great Bear Lake Lodge and Tree River Char Camp) are located in the northeast corner of Great Bear Lake, NWT, 47 miles north of the Arctic Circle. Comfortable lodge facilities, trading post and overnight fly-in visits to a tent camp are featured.
- Kispiox Steelhead Camp is located 20 miles north of Hazelton, B.C., surrounded by snow capped mountains. The area also offers hiking, mountain climbing, horseback riding, canoeing and photography. The camp is accessible by car from either Smithers or Jerrace, B.C.
- Kluane Wilderness Lodge is located on Wellesley Lake (rated as the number one trophy lake trout lake in Canada by Field and Stream in 1978) in the Yukon Territory. The camp accommodates twelve

(12) guests and offers sauna, lounge, rooms with private baths. Fly-out side trips are offered.

- Painter's Lodge Resort overlooks the Discovery Passage on the north edge of the Campbell River and is located only five (5) minutes from the town of that name. The facility is large and offers poolside cabins and a main lodge with dining room and lounge.

- Goose Bay Cannery Lodge occupies a former commercial cannery, 30 minutes by float plane from Port Hardy on Vancouver Island. A main lodge and quaint cottages "provide all the amenities of a remote fishing village".

In addition, fishing and natural history cruises are offered on the M.V. Union Jack, an eighty-five (85) foot ex-coastal tug boat and the M.V. Norsal. In addition to fishing, there is opportunity to explore Indian settlements, logging camps, gold mines, fishing villages, hot springs, nature hikes and beaches. Scuba diving and fishing holidays are available as well as conference and business seminar packages at Beach Gardens Resort Hotel.

- In Saskatchewan, the Northern Saskatchewan Outfitters Association works with Tourism Saskatchewan of the provincial Department of Tourism and Small Business to publicize, promote and organize fishing packages offered by the province's numerous lodge operators and outfitters. In one instance, the operators of Wollaston Lake Lodge work in conjunction with Tourism Saskatchewan to develop and promote fishing packages, including business seminars, and work closely with Crystal Shamrock Airlines of Minneapolis, Minnesota to promote and sell these packages.

The NSOA has put out a brochure titled the "Saskatchewan Fishing Challenge" which is a guide to adventure fishing in the northern parts of the province. The 126 lodges are categorized as to whether they are drive-in or fly-in, modern in style and positioned on a map of the region.

Over 35 camps are offering group fishing packages for groups of up to 60 persons which include airfare, meals, lodging. Each package can be customized to suit the needs of each club or convention. A "Fish Line" telephone number for information has also been created in support to this full colour brochure.

- A 1981 study of the Manitoba fishing industry[1] reports that lodges in the northern region attracted 79,415 guest days, of which 95% were attributed to fishing and hunting. Of these guest days, over 80% were American and 60% were repeat guests. Northern Manitoba lodges utilized 35% of their total bed capacity in 1981 and ranked second to the Whiteshell Nopiming region in total guest days 9119,518 versus 79,415).

- Faber Travel in Brantford, Ontario in association with Nordair offers Arctic Char fishing holidays at Clearwater Fiord, Baffin Island.

  Packages include airfare from Montreal, 7-nights accommodation, meals and camp guide with costs from $2 095 U.S. Travel arrangements are also made available from New York, Pittsburgh, Chicago, Windsor and Toronto.

- Northern Ontario statistics for 1977 indicated that the average hunting and fishing lodge generated $48 000 of revenue annually. In total, there were 1 676 lodges in the Northern Districts (Kenora, Rainy River, Thunder Bay, Cochrane - Timiskaming, Algoma, Sudbury, Manitoulin and Nipissing), accounting for more than $80 million of revenue while employing 4 016 full-time and 3 925 part-time workers. Marketing approaches used include brochure distribution, magazine/journal releases, sportsman stores, etc. For example, a Red Lake Travel Agency works with fishing camp operators to provide "Red Lake Wilderness Fishing Vacations" by handling all booking and travel arrangements for clients.

- In Quebec, the Schefferville area offers a variety of sport-fishing experiences, outfitted by 6-8 operators. The Delay River Camp and Laurentian Ungava Camp are only two of the options offering both European and American plans. Joint marketing efforts are carried out by Norbec.

  Club Chambeaux uses Wabush airport and provides transport from Fermont, Quebec on to camps on the Caniapiskau River. Lake Justone Fishing Club is located on the headwaters of this same river, and although situated in the

1) *Manitoba Departments of Natural Resources and Business Development and Tourism Manitoba Commercial Sports Fishing Industry Study, Fishing Performance Data, 1981.*

Ungava area of Quebec, is owned in partnership with a Labrador West resident.

Cepal, a non-profit organization offers 8 day/8 night and 15 day/15 night "Piacoudie Explorations and Fishing" on the Montagnes Blanches River, accessed by sea plane. Accommodation is in rustic cabins. Extended canoe trips are also available on this trip. Cost for the eight (8) day trip is $495 Canadian from Cepal (Jonquiere, Quebec) or $610 from Montreal via Quebecair.

In total it can be seen that:

- Promotion by lodges, camps, tourism associations and government agencies is ongoing.
- Individual operators are becoming very sophisticated in their marketing approaches, working with specialist agents, wholesalers and airline companies to package all inclusive fishing trips.
- Many opportunities are accessible by road which makes them very price competitive.

2.2 HUNTING MARKET

a) Market Character

- Studies undertaken by the Province of Newfoundland and Labrador and by such publications as North American Hunter indicate that hunters exhibit the following profile:

  - hunters are typically aged 40-44, are married (80%) and male (99%).
  - the family income of hunters is generally high at over $50,000 per year but clients do not generally have post secondary education.
  - 61% of hunters have done so for 20 or more years, spending a total of 39 days per year at an average trip length of 7.1 days.
  - on average a total of 2.4 hunting trips are taken per year at an average distance of 1,300 miles, 56% of these out of state/province.
  - "big game" is the focus of 91.5% of trips while 92% fish as an additional activity.
  - priorities of trip selection are: availability of big game, guide services, price and food quality.
  - "Word of mouth" is a powerful advertising medium accounting for 66% of all decision-making compared to articles, brochures, agencies, etc. Controllable factors such as food quality, accommodation quality and guide services must be of superior quality to encourage a) return visitation and b) work of mouth promotion.

- Demand for hunting was seen to be doubling each year with great interest from Switzerland, Belgium and France.

- The competition for hunting in Europe was seen to come from Africa and the Eastern Bloc countries.

- The best way to access European hunting markets is through hunting and sports stores, taxidermists and increasingly through professional organizations such as doctors, dentists. The European market is an "aristocratic" one while the U.S. remains more the "average man" who has higher income.

- Hunters have no interest in other activities i.e. adventure, culture. They will fish and do other activities if their quota is met and the opportunities are directly accessible.

b) **Market Potential**

As a leisure activity, hunting attracts a smaller percentage of the population than does fishing.

Canadian Markets

- Utilizing the U.S. ratio of fishing to hunting at 77:23, we can estimate the market for all hunting activities in Canada as being 1,491,550 person trips.

- By province, Ontario generated 726,000 trips, Quebec 260,360. Quebecers undertake such trips in their own province for the most part, totalling 221,000 in province hunting trips[1]. Again Alberta, B.C. and Manitoba are also strong in this activity.

Because fishing and hunting are grouped together in most Canadian statistics we can look to Ontario and Quebec totals to identify trends in the marketplace.

1) *Sentier Chasse Peche estimates that there are 700,000 hunters in Quebec, increasing by 40,000 each year. In terms of origin, the Montreal region accounts for 47% and Quebec City 18%. The Quebec Ministry of Leisure, Hunting and Fishing estimates there are 400,000 active hunters in the province.*

- Increases in resident and non resident bear hunting.
- Decreases in resident small game hunting, increase in non resident small game hunting.

For a total decline in resident hunting levels and increases in non resident hunting interest with a net slight decline in total. In 1986 there was a total of 526,600 resident hunters, 33,500 non resident for a total of 560,200 at a resident:non resident ratio of 16:1.

In Quebec, looking at Caribou hunting in particular we see increases in allowable harvests and fluctuation in demand over the past ten years to show a general increase. In 1986 a total of 6,000 permits were allowed, 5,200 of which were sold.

We are seeing in Northern Quebec a decrease in resident hunting and a compensating increase in non resident hunting. The contact program indicated that the vast majority of hunters coming into the study area are U.S. in origin.

U.S. Market

According to an A.C. Neilson study released in 1984, there has been an overall decrease of 5% in the total number of participants in hunting activities from 1972 to 1982. In 1983 it was estimated that 16% of all households or 14 M participated in hunting as a leisure activity.

Using the U.S. Pleasure Travel Survey and assuming the same hunting to fishing ratio, this would indicate that 6.7% of the U.S. outdoor market or 326,800 persons have potential to visit Canada to hunt. This is well below the potential for fishing activities.

U.S. hunting publications/organizations have generally shown stability in circulation/membership.

Overseas Markets

Only the German market has strong potential for hunting activities at 9% of outdoors markets or 42,900 persons.

French and U.K. markets showed interest at 3% (18,100 persons) and 2% (9,200 persons) respectively. No interest was shown in hunting activities by Japanese markets.

c) Competing Opportunities

As was the case with fishing opportunities, today's hunting market is faced with an ample selection of various opportunities.

Appendix B presents a sampling of these opportunities, as does the following discussion.

- Quaivik Limited of Yellowknife offers Arctic sport hunts for polar bear, muskox, Peary caribou and Barrenland caribou. Hunt packages are offered individually for each type of trophy animal. A combination polar bear -- muskox -- seal package has been offered and proved to be very successful. A typical hunt package offered includes air and ground transportation from Yellowknife, guided tour of Yellowknife, accommodation and meals, arctic clothing, trophy tags, two personal guides for each hunter with dog team or snowmobiles, and preparation of the trophy. Rates (1984) for Polar Bear were $13 000-$15 000 U.S., Polar Bear/Muskox $16 000 U.S. for 18-22 days excluding airfare to the hunt area.

- The Keewatin area has set up a central marketing agency, representing individual operators in association with a Southern-based advertising agency and wholesaler to promote caribou and polar bear hunting.

- Canada North Outfitting of Waterdown, Ontario is working in association with Nordair to offer High Arctic Wildlife Safaris and fishing and hunting trips with Inuit guides.

- As stated in the fishing section, there are three major areas of hunting and fishing in Northern Quebec: Fort Chimo (Kuujjuaq), Shefferville and Caniapiskau areas, the last being accessed by Fermont.

  In the Schefferville area, Delay River Outfitters and Laurentian Ungava Outfitters are only two of the 8-9 presently bringing in approximately 3 000[1]) hunters in the six to eight week hunting season, half of which are

estimated to be non-residents of Quebec. (It is also estimated that one in four or five hunters come by train)2). Costs for such activities range from $1 500 for the "safari" type of camp up to $3 500 to $5 000 for a trophy hunt.

- Club Chambeaux offers a $899 7-day package from Fermont, Quebec including transportation, accommodation (5 nights at camp, 2 nights at Fermont), boat and equipment. Not included are meals, meat packaging, transportation, license. Reports indicate that this operator is very successful in attracting patrons to the Caniapiskau River site.

2.3 WILDERNESS ADVENTURE MARKET

The wider area of Labrador accessible via the study area offers ample opportunities for wilderness adventure activities such as canoeing, kayaking, rafting, cross country skiing and trekking. Tundra, mountains, rivers and oceans all lend themselves to wilderness outdoor activities in an Arctic setting.

Implicit in this activity is the potential to view wildlife in its natural setting, therefore wilderness viewing is an activity which fits in this and the more "general interest" tour of an area.

1) *John Bogie, President Delay River Outfitters.*
2) *Henri Jamet, Quebec Tourism Consultant for Northern Quebec.*

a) **Market Character**

- This market can be defined as being different form the "general interest" or "cultural" tour client in that physical activity of some form is an integral part of the travel experience.
- Clients are seeking physically demanding experiences to test/develop their skills in these activities. Transport models are often unique.
- Participants range in age and their professional background is varied.
- There appears to be different subgroups within this segment:

i) By Distance

- shorter adventure packages to closer destinations e.g., whitewater rafting trips, two day cycling or ski trips.

OR

- longer trips to more inaccessible destinations.

The latter into which our destination would fall, is more frequently taken by persons of average to above average income, university degreed, professionals.

ii) By Cost

- the more economical cross country, kayak, canoe, hiking trip which is taken close to home and satisfied by what resources are locally available.
- the more expensive trip e.g., river rafting, downhill skiing which requires payment for one cannot do so without the aid of the operator.
- the more expensive exotic adventure trip to a unique destination for a variety of activities e.g., hiking, climbing, etc.

iii) By Effort

- the "softer adventurer" who wants to try something new, experience the culture and nature of a destination in an outdoor

setting with less arduous activities, e.g., walking, canoeing, photography.

- the "high adventurer" who is seeking more strenuous activities such as kayaking and hiking, endurance cross country skiing, mountain climbing.

Both these groups would have appeal for the destination in question.

iv) *By Mode of Transport*

- land based activities such as hiking, climbing.
- water based activities such as canoeing, kayaking.

- Generally adventure clients are not concerned with deluxe accommodation but, in the case of the "soft adventurer" the surroundings must, at a minimum, be comfortable and clean, the food of good quality as this market is not willing to "rough it" as will the high adventurer.

- As an example of an adventure travel destination's appeal, activities undertaken while in Pangnirtung, Baffin Island (as per a 1982 survey) include photography (71%), sightseeing (65%), hiking/backpacking (61%), buying handicrafts (50%), visiting Auyittuq National Park (40%), fishing (30%) and winter activities (6%).

  Reasons for travel include the arctic experience, climbing, hiking, backpacking.

- It is not uncommon for customers to partake in a different adventure trip each year. Typically, 20 to 50% of business at adventure travel wholesalers is repeat business. This suggests that a satisfied "end of trip" customer is necessary if clientele is to be developed.

- It is important for a destination to become "trendy", name recognition will increase its viability as a Canadian destination. This can be achieved by sponsoring magazine articles, movies, etc.

- The European adventure market was seen as willing to pay more to see the space, wildlife, arctic marine life of the destination than Canadian markets.

The U.S. would have more moderate appeal. In France alone more than 50 travel agencies represent adventure destinations.

- There is growing interest in adventure incentive travel from corporations in Europe, the U.S. and Canada.

- Canadian destination's are in competition with exotic destinations worldwide, places like Nepal, which have strong name recognition and image. In total 26 countries attended a marketplace on adventure travel.

- The Arctic poses a problem for transportation of gear and special arrangements would have to be arranged.

- This market requires a specialty wholesaler to arrange the trip, sell the trip and be involved in guiding services. In total 90% of the market uses specialty wholesalers. There are several hundred companies in the U.S. offering adventure travel, they are typically small at 2,000 to 2,500 passengers per year as they are specialized in destination and activity.

- The destinations strongest appeal is seen to be in the area of arctic marine animals, birds and wildlife, in conjunction with outdoor activities. One could appeal to zoo and aquarium groups.

- The local arts and crafts would have appeal to the soft adventurer as an "added plus".

- In total the greatest barrier to developing destinations in the far north and far south is the cost compared to other major destinations. A great effort must be made in reducing land costs while providing services such as gear transportation. A second major constraint is weather conditions.

- In developing this market, infrastructure could be shared with outfitters as they are distinct in their season but are incompatible in activities. As the market is developed, a separate wilderness refuge could be developed for activities such as birdwatching, etc.

- Hostelling in Canada is showing strong increases at 311,000 overnights, half by domestic and half by international travellers. In the Yukon for example, 295 persons used hostel facilities.

  The area could develop a hostelling facility or a wilderness lodge in a suitable setting. Trekking, rock climbing, canoeing activities as well as social programs and training programs (environment, conservation, local arts and crafts, flora and fauna) could be undertaken at this facility. This would have a higher appeal to European markets than Canadian markets.

- The destination must be positioned as a new, virgin territory to be discovered, wide open and untouched with abundant wildlife viewing opportunities.

b) **Market Potential**

At present over 300 tour companies are packaging wilderness adventures in over 50 countries. This is a phenomenal number given the fact that this is a relatively new market.

The following is an overview of the size of the market, recognizing that only a small proportion of those persons shown as active in wilderness activities generally will purchase package tours focussing on these activities.

Canadian Potential

- In 1984 a total of 14.5 M trips by Canadians were for sports/outdoor activities other than swimming, watersports and skiing. When compared to 1982, this indicates a growth of 150%. Specifically Ontario and Quebec showed growth rates of 150% and 110% respectively. This would indicate a great increase and diversification in outdoor activities.

- Cross country skiing on the other hand showed declines of 35% from 1982 to 1984 at only 1.3 M trips.

- Generally if we apply the C.T.A.M.S.[1] percentage of 3.7% of persons in the

1) *Canadian Attitude and Motivation Study*

outdoors travel category, there is a potential of 947,000 persons. As no breakdown of activities is shown in this survey, it is impossible to segment out this market further by this source.

However, a study undertaken for the Yukon indicated that the market for packaged wilderness/adventure tours ranged from 1.5 to 2.5 M individuals in North America:

	U.S.A. Population (000's)	Canada Population (000's)	North America Population (000's)
Backpacking/hiking	28,300	2,900	31,200
Camping	16,400	1,600	18,000
River rafting, canoeing, kayaking	9,400	900	10,300
Cross-country skiing	2,000	2,400	4,400

Source: Thorne Stevenson & Kellogg, Yukon Wilderness Adventure Travel Study, 1981.

- If Canada accounts for 12% of this market this would indicate potential of 180,000 to 300,000 trips or 19% to 32% of the general outdoors travel market.

U.S. Potential

- Fifty-six percent of U.S. households participate in outdoor activities, 14% in winter activities. These activities have shown increases or stabilization in past years.

- The Yukon study would indicate that the U.S. potential for packaged wilderness tours at 1.3 M to 2.2 M trips.

- The U.S. Pleasure Travel Survey, estimated an outdoor travel market of 4.9 M for Canada. Hiking/walking attracts 8% of this market for a total of 392,000 persons; nature activities attract 34% for a total of 1.7 M persons.

Overseas Markets

Applying activity levels to the preferred segments in each travel population gives the following:

- France: 193,500 interested in hiking (32%)
  296,000 - 356,800 interested in wildlife/wilderness (49-59%).
- Germany: 293,000 interested in hiking (31%)
  283,000 interested in wildlife/birds (30%)
- U.K.: 79,200 interested in hiking (12%)
  165,000 interested in wildlife/birds (25%)
- Japan: 42,800 interested in hiking (7%)
  18,300 interested in wildlife/birds (3%).

c) **Competition**

Major competition for the adventure market in Canada comes from the Yukon, N.W.T. and Labrador. Worldwide northern destinations include Sweden, Alaska and Norway.

Quebec offers suitable destinations for adventure tours such as the Otish Mountains, Anticosti, Mont Groulx, Temiscamingue and Nouveau Quebec (Arctic Quebec).

While Appendix B summarizes major opportunities, the following discussion illustrates the type of trips which fall into this category.

- Canadian companies dealing in this type of travel include the following: Goway Travel, North West Expeditions, Thompson Guiding Ltd., Canadian River Expeditions, Blackfeather Tours/Canadian Nature Tours, Horizon Holidays, Quavik Ltd., Atlastours, DeWest Tours, Canada North Outfitting, High Arctic International, Wilderness Tours, Holiday by Majestic, Sub Arctic Expeditions, North Country River, Safari River Expeditions.

- Hyak River Expeditions offers whitewater rafting in B.C., Yukon and Alaska Wilderness e.g. Thompson River (2 days), Chilko-Chilcotin- Fraser Rivers (6 days), Firth River, Yukon (12 days).

- Ecosummer Canada, a travel wholesaler which emphasizes programs in ocean kayaking, nature photography, alpine treks, river expeditions and mountaineering, operates primarily out of British Columbia as well as the Yukon and the Baffin Region of the Northwest Territories.

- Canada North Outfitting Ltd. currently offers a variety of escorted adventure tours in the Eastern Arctic including snowmobile safaris, dog sled trips, arctic cross-country skiing, kayaking and wildlife safaris. Current markets for this company are 70% United States, 20% Canada and 10% International trade.

- High Arctic International Explorer Services Ltd. specializes in snowmobile/sledge expeditions offering wildlife, historic site and scenery sightseeing, camping, char fishing and arctic survival sessions.

- Canoe Arctic provides escorted trips to the Northwest Territories. These trips offer camping, wildlife viewing, photography and sport fishing. Trips can be personalized to suit special client interests such as bird watching, botany and geology.

- Special Interestours/Special Odysseys Ltd. offers several specific adventure trips escorted by scientific experts and Inuit guides. Destinations such as B.C., Greenland and the South Pacific are also featured.

- Tuulik Wilderness Adventures, operating out of Ottawa, currently offers river rafting, kayaking, cross-country skiing and adventure travel out of Baffin Island and Frobisher Bay destinations.

- Equinox Adventures, Beamsville, Ontario currently offers high adventure recreational pursuits such as cross-country skiing, whitewater rafting and canoe and kayak instruction. There business is growing at a rate of 15%, directly as a result of their marketing efforts such as creating bus packages

through travel agents and wholesalers rather than the traditional "direct sell" at shows, etc.

- Canadian Nature Tours presently offers 27 trips to view wildlife, canoe, and backpack in various destinations throughout Canada. Tours generally are in groups of 12 to 25, for a total of 250 persons in 1985. This organization typically coordinates with various local Wildlife/Resource Ministries rather than with wholesalers.

- With the creation of Auyittuq National Park in 1972, tourism visitation began to increase dramatically in Pangnirtung. This park is Canada's only national park located above the Arctic Circle. In the months of June and July if offers hiking, mountain climbing, and naturalist experiences while during the winter a variety of recreational activities are pursued. In 1984, a total of 576 persons visited the park, in 1985 this dropped to 461 visitors. The hotel in the community generally captures 25 to 40% of this travel market while the remainder camp in the park.

3.0 EXISTING SITUATION IN CENTRAL LABRADOR

3.1 - Overview of the Sector

The following overview of the Outfitting sector is based on information that was most readily available. It should be noted, however, that there is a limited data base to draw upon, and the data that is available is often conflicting. As the oldest segment of the Province's tourism industry, the $3 million outfitting industry continues to offer many opportunities. A government discussion paper on commercial hunting and fishing camps in Newfoundland and Labrador maintains that these opportunities must be offered, keeping a balance between meeting the demand for wildlife resources and maintaining the economic viability of the industry.

There are approximately 87 outfitters in the Province, with approximately 25% of these located in Labrador. There are currently twenty-two (22) hunting, fishing and adventure expedition outfitters operating out of Labrador employing approximately 300 to 500 persons annually on a seasonal basis.[1]

A large number of Labrador outfitters (50%) operate out of the Lake Melville area where access to air services is available. Additionally, we are seeing operators utilize scheduled air service to the coast, e.g., Cartwright, to reduce the congestion problem presently occurring at times in Happy Valley-Goose Bay.

For the most part, caribou are the most popular animals people seek while at a hunting camp, although there is a proposal in place to introduce a limited amount of non-resident moose hunting south of Happy Valley. For the fishing camps, the most lucrative product seems to be the Atlantic salmon, followed by the large Labrador lake and brook trout.

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[1] *This translates into approximately 1.5% of the population of Labrador being directly employed by the outfitting industry. The percentage of benefit from the outfitting industry is larger, however, due to employment in the realated sectors i.e., accommodations, transportation industry, retail sales, etc.*

A 1986 thesis paper concerning the tourism industry in Labrador[2] highlights several characteristics of the outfitting industry:

- The camps are scattered throughout Labrador, offering accommodation for a total of approximately 312 people. Other sources put the total lower at some 240 beds.[3]

- Camps are usually open for 6 to 14 weeks (11.4 average) from June to mid-September.

- The 1986 occupancy rates for the operators that were surveyed ranged from 28% to 80% with an average of 60%.[4]

- An average of 72% of their guests were from the U.S. (predominantly from the New England, mid-Atlantic and Northeast Central states), 22% were Canadians and the remaining 6% from overseas.

Utilizing the above information and applying it to the existing outfitting product in Labrador (shown in Table 3.1) indicates the following:

- The 22 outfitters in Labrador offer opportunities to fish (90%), hunt (18%) or participate in wilderness adventure (13%).

- The Central Labrador area, defined as those outfitters who are accessed out of Happy Valley-Goose Bay, number eleven (one of these outfitters operating in the Churchill Falls area) and have a total capacity of 192 beds. The central area is characterized as having a lower proportion of hunting camps (primarily operating out of Churchill Falls and north of Nain) and a higher proportion of wilderness adventure products (located out of Voisey Bay, Happy Valley-Goose Bay and Northwest River) than is

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[2] *Hall, C., Strategies for Improving the Return in the Tourism Industry in Labrador, 1986.* Data used for this M.B.A. thesis obtained from Department of Development tourism publications, provincial summaries and outfitter questionnaires.

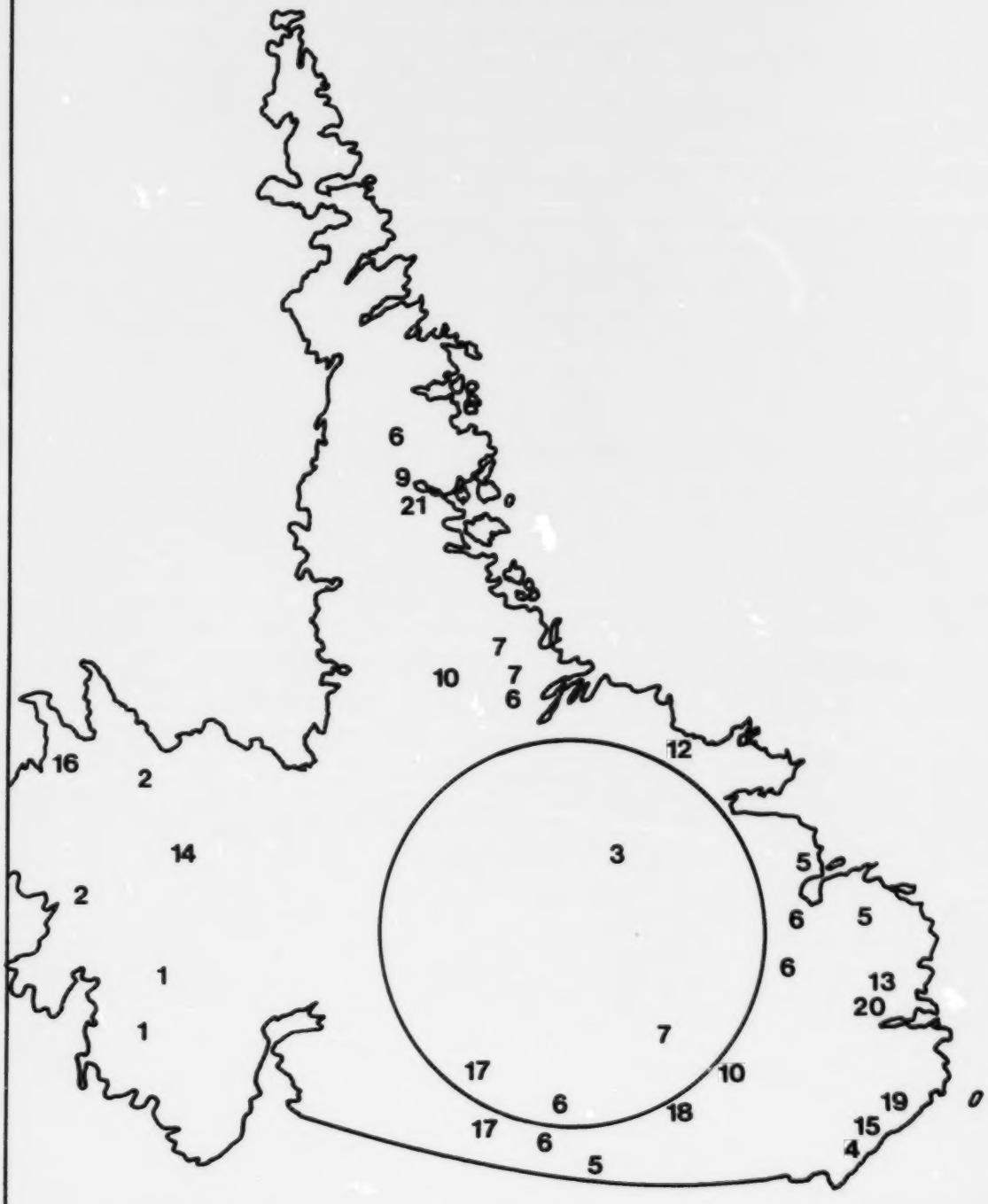
[3] *Department of Tourism and Development Records.*

[4] *This figure would appear to be significantly over-inflated based upon our subsequent analysis.*

found in the western portions of the region. The vast bulk of outfitters are devoted to the fishing product, with a minimum of eight offering fishing packages.

- The Central Labrador outfitting product is primarily high-end in nature, ie. those which offer higher quality accommodations, dining facilties, etc.

- Records indicate that in 1988, camps operating out of the Lake Melville area generated a minimum of $1.39 million and a total of 789 hunters and/or fishermen came into the area. The Labrador West area has a much lower bed capacity but a total of 2,571 sportsmen were recorded in the area. Expenditures were, however, much lower at $306,500. These records, however, cannot be viewed as being accurate due to inconsistent reporting by camps. It does, however, establish a range as to the size of the current market. This level of visitation is consistent with data generated by Air Exit Surveys, this discussed later in the market analysis section of the report.



Key for numbers shown in this figure are given in Table 3.1

OUTFITTING INDUSTRY

FIGURE 3.1

TABLE 3.1
OUTFITTERS OPERATING OUT OF LABRADOR

Name of Operation	Camp Location and Accommodation Capacities (Persons)
1. Ashuanipi Hunting and Fishing Camps Ltd. Camps Ltd.	Dyke Lake (8), Albert Lake (8), Kepimets Lake (8), Milner Lake (8)
2. Atikonak Hunting and Fishing (1984) Ltd.	Atikonak Lake, 2 camps with (4) and (6)
3. Double Mer Fish Camps Ltd.	Double Mer Lake (6)
4. Forteau Salmon Lodge	Forteau River (12)
5. Gander Aviation Ltd.	Michaels River (12), Sandhill River (8), Wulff Lake (6)
6. Goose Bay Outfitters Ltd.	Adlatok River (4), Lower Eagle River (12), Eagle River (8), Little Minipi River (6), Umiakovik Lake (6).
7. Hunt River Salmon Camp	Hunt River (8), Park Lake (8), Clyho Lake (6).
8. Inuilak Labrador	12 day canoe trip (6)
9. Labrador Inuit Development Corporation	Voisey Bay (10)
10. Labrador Sports Fish Ltd.	Igloo Lake (10), Upper Eagle River (6), Upper Flowers River (8)
11. Labrador Wilderness Expeditions	N/A
12. Lakeland Lodge	Big River (14)
13. Lewisporte Wholesalers Ltd.	N/A
14. Lobstick Lodge and Motel	Lobstick Lake (20)
15. Lucky Strike Lodge	Pinware River (14)
16. Menihek Camps	Ashuanipi River (12)
17. Minipi Camps	Anne Marie Lake (8), Minonipi Lodge (8), Minipi Lake (14).
18. Newfoundland & Labrador Hunting & Fishing Ltd.	Osprey Lake (12)
19. Pinware River Lodge	Pinware River (8)
20. Powell's Outfitting	Gilbert River (10)
21. Tasiujatsoak Wilderness Camp	Voisey Bay (8)
22. Torngat Labrador Outfitters Inc.	N/A

- The $1.39 million generated by camps out of the Lake Melville area, or 46% of the total outfitting dollar, is generated over a 4 month period, despite the fact that it represents only 25% of the total outfitting plant of the province. This indicates the relative strength of the outfitting sector in generating economic benefits to the region. This expenditure is then redirected locally through money spent on accommodations, restaurants, retail sales, transportation, etc.

In total, this information would lead us to believe that there are approximately 900 fishermen, a limited number of adventurers (at 50 to 80 such individuals) and a similar number of hunters (at less than 100) are going into the Central Labrador area for a total of 1,000 to 1,100 outfitting visits occurring in the study area.

Utilizing this estimate would put the occupancy levels at regional camps at an average of 46%, indicating promotion is needed over product development in the shorter term.

There are proposals to introduce new camps in the Eagle River area and at the Smallwood Reservoir at Churchill Falls as well as to expand existing camps in the area.

Typically fishing and hunting in Labrador is done on a pre-arranged basis on a package in the Lake Melville area, while the road-accessible Labrador West area is more prone to drive-in hunts and fishing trips.

Depending on the individual operator, services such as one week's accommodation, food, guides and cold storage are provided. The cost of these types of outings at camps range from approximately $700 to $2,500 for a one-week package including airfare. Goose Bay's product typically ranges in the $1,700 + range.

Many outfitters enforce restrictions that may vary from the provincial regulations in an attempt to protect the wildlife resources:

- Non-residents require a license to fish in any inland waters and must employ a guide on a daily basis to provide access to more remote stretches of rivers. Fishing is only

permitted between one hour before sunrise and one hour after sunset. Residents as well as non-residents require a salmon license to fish in scheduled salmon rivers. These rivers can be fished but are closed subject to changes in abundance of fish stock, water conditions and water temperatures. The scheduled rivers in Labrador include the Forteau, Pinware, Gilbert, Double Mer, Michaels, Hunt, Sandhill, Adlatok and Eagle Rivers.

- Hunting is open to residents and non-residents who obtain and carry a valid hunting license and/or permit. In addition, non-resident hunters must show proof of having completed a Hunter Safety Training Program or of previously having a big game license. Non-resident hunters also require guides if hunting big game, but not for small game or waterfowl.

Generally there is a concern that the quality of fish taken from trophy waters e.g., Minipi Lake and Eagle River, etc. will decline as the area becomes more accessible due to road development, ie. to Baie Comeau, and more independent fly-in traffic, e.g., the military, independent fishermen. In an attempt to secure long term quality of the resource, outfitters in the province want to see a strong protection policy put in place.

3.2 - Summary of Issues Relating to the Outfitting Product

A particular focus of this study was to isolate those issues affecting the outfitting industry, this to assist in formulating an outfitting strategy for the area. The following is a summary of key issues, emerging from discussions with a representative cross-section of outfitters serviced out of the Happy Valley-Goose Bay area[5]:

The outfitting product offered in the study area is generally of a high quality.

- Our sampling of outfitters confirmed the volumes indicated in the market analysis section of the report. It is estimated, from our conversations, that at minimum 900 fishermen and

[5] *See Appendix for contact list*

100 hunters come into the area and use outfitters serviced out of Happy Valley-Goose Bay.

The majority of clients are from the northeastern U.S., with some visitation (15%) by Canadians from Ontario, Quebec and Nova Scotia and limited use by European clients.

- In general, the marketing undertaken by outfitters is fairly advanced, with most advertising in select trade/consumer publications in the United States complemented by the distribution of brochures.

- Generally outfitters are optimistic about the future growth in the market for fishing, adventure and hunting activities. Specifically the U.S. and European markets were seen as having high potential.

Outfitters are concerned about the non-regulated use of Labrador's resources by non-residents of the Province.

- At the present time, residents of other provinces and military personnel from outside Canada are allowed to hunt and fish in Labrador (with the exception of some scheduled salmon rivers on the coast), with the only regulation being that they obtain a license.

- Outfitters would like to see a regulation put in place and enforced that stipulates that all non-residents, including the military, must go through a licensed Labrador Outfitter before embarking on hunting, fishing or adventure activities in Labrador.

- The industry stresses that the continued, non-regulated use of Labrador's resources by non-residents and the military is destroying the resource base of the area, and this ultimately will affect the livelihood of the outfitters themselves. At the present time most outfitters enforce or even place more stringent limits on the bag limit of their guests. The concern is that non-regulated use of the resource is resulting in large numbers of fish and caribou being taken out by, for example, the military with no enforcement by appropriate agencies.

- Concerns were voiced that the Province is assuming a high cost when it must undertake rescue activities because trips are organized without the use of local outfitters.

- Outfitters are witnessing a higher level of trespassing of their camps in the off-season.

- The outfitting sector would like to see the same restrictions on non-resident activity applied and enforced with respect to the military. This is seen as a key concern, especially in light of the potential NATO Training Centre development which is expected to exacerbate the perceived problem.

- With the continued improvement in road access into Labrador it is expected that the issue of non-resident use of resources will escalate, especially in those camps located "closer" to the road.

- A key point in this discussion was that there is no net economic benefit to the local economy from individuals who do not use outfitters.

The outfitting sector wants to see immediate action to protect its natural resources

- A discussion paper on Commercial Hunting and Fishing Camps in the Province (Green Paper) was prepared approximately three years ago. To date, from the perspective of the industry, there have been no further efforts to correct the perceived inadequacies of the legislation and to deal with the concerns of the industry.

- Industry representatives stated that before more expansion and development within the industry occurs, the existing problems need to be settled.

- Because the outfitting sector "straddles" a large number of government departments, intradepartmental communications and policies are perceived to be "bogging down" the process.

- Some outfitters are concerned with the length of time their various applications take to be approved.

- Generally outfitters feel that the bag limits on certain fish, in particular the Brook Trout, should be reduced.

- Outfitters are adamant that the enforcement of hunting and fishing regulations by authorities is not adequate and must be increased in the future.

The outfitting industry is evolving organizationally.

- At the present time the majority of the full-time outfitters in Labrador are members of the Labrador Outfitters Association (L.O.A.). The difficulties associated with access and promotion of the high quality product in Labrador required specific approaches to deal with these issues. As such, the L.O.A. broke away from the Newfoundland organization to better meet the needs of Labrador operators. Part-time outfitters typically have not joined and there are a few larger operations which have declined to join the membership, which now stands at ten to twelve outfitters.

- The key individuals in the organization have hired a lawyer to represent their concerns as a group thereby increasing their lobbying power within the province. Despite this, some outfitters feel the organization does not have "enough clout" to get anything done.

- The organization is considering hiring a marketing manager, perhaps located out of the United States, who would represent the Association at trade shows, assist in making bookings, etc. This arrangement was seen to be more beneficial than working with a specialty wholesaler; as these organizations typically cannot <u>equally</u> represent all cooperating members, favouring instead a select few.

- The organization, although planning to focus on U.S. markets, is expected to explore European markets over the longer term.

- The association is in the process of planning a brochure which illustrates the range of opportunities available in Labrador (profiling those who belong to the Association only).

- The Association would like to see stronger representation in their organization by adventure outfitters.

- At the present time no true formal cooperative advertising activities have been initiated, although there are plans and interests to do so in the future by both the outfitters and airline carriers. To this point individual operators have established informal relationships with carriers to offer complete packages to their clients.

- Neither the Labrador Association nor the Newfoundland Outfitters Association are members of Hospitality Newfoundland. There is a perception on the part of the outfitters that their industry is not viewed as an integral or valuable portion of the province's hospitality sector.

- The L.O.A. indicated an interest in being represented on any Labrador-wide tourism organization which is put in place.

- In general, outfitters feel that the government should be working closer with the organization, this in the area of marketing and (enforcement of) regulations.

The outfitting industry is moving in new directions

- Some outfitters have indicated an interest in diversifying their operations in terms of both seasonality and activity (e.g., adventure and canoe trips).

- The policy of not allowing satellite camps is perceived as a limiting factor in expanding these markets.

- There is a trend toward the rationalization of the industry, with people from "outside" buying out existing operations and the amalgamation of operations into larger

corporations. This is perceived to be partially related to an inability of outfitters to secure financing for upgrading.

- Outfitters are beginning to explore new markets, some beginning to successfully access European markets in addition to the more traditional U.S. clientele.

- It is anticipated that, as demand increases, there will be a need to open up new areas to outfitting rather than over-intensification of use of existing lakes and rivers.

The outfitting industry has other concerns.

- The outfitters see a need for more security by being able to obtain larger term leases for their properties. This would protect their investment, allow access to bank financing and encourage improvement to properties/camps now in place.

- The industry stated that it is always difficult to find good staff even though the Province offers a guide training program. Each outfitter has his own technique for increasing the training level of staff. Generally it was agreed that the Provincial program should be maintained.

- Some outfitters indicated that it would be beneficial to see a higher degree of competition to the present 'Lab Air' service, this to reduce costs and to increase flexibility. At the present time charter costs are seen as being high and baggage limits are too low.

- The land claims process, now underway, is expected to affect the outfitting industry.

4.0 ORGANIZATION

4.1 Labrador Outfitters Association

4.1.1 - Marketing Activities

The Labrador Outfitters Association (L.O.A.) is in the process of assembling a proposal for the hiring of a U.S. based marketing representative on behalf of the organization and its membership. **This plan wholly supports this proposal and, further to this, encourages any further cooperative ventures between outfitters and other sectors of the industry.**

As an organization, it should, with time, work together with transportation carriers and the Provincial Government to establish a series of cooperative packages which can then be marketed by the U.S. representative.

Over time, it will be critical that the linkage between the L.O.A. marketing arm and Destination Labrador become strong. Good communication and a sharing of information and promotional activities will continue to be critical. It is not recommended that the L.O.A. marketing group be physically or organizationally connected with Destination Labrador as the outfitting product remains somewhat distinct in terms of both product and market. Where the two tend to become closer is in the area of non-consumptive outfitting activities or wilderness adventure products. It is in the realm of this activity that the L.O.A. must work with Destination Labrador to establish clear lines of communication and a sharing of marketing efforts. Typically since the selling mechanism for adventure products lies in working with specialty wholesalers which are distinct from hunting and fishing agents, it is more likely that Destination Labrador would be the most logical lead in this area in terms of selling the product. Additionally, as more operators continue to offer more specialty products, the line between general touring and soft adventure will become less distinct, this further suggesting that Destination Labrador should take responsibility for this sector. However, in all cases L.O.A. should be encouraging its members to produce products or create packages which can then be marketed by Destination Labrador and should be assisting in representing this sector where necessary.

The L.O.A. should, in association with Tourism Canada, begin to explore the opportunities afforded by the European marketplace. Good contacts will have to be made on behalf of Labrador operators with European outbound wholesalers specializing in the fishing/hunting product.

Together with Federal assistance, a series of marketplaces should be organized to acquaint European interests with Labrador's outfitting product. Individual outfitters should be encourage to participate in these events on a cost-shared basis with the Federal government.

To be successful, the product must be competitively priced against other key competitors worldwide. The Labrador product must be positioned as a unique, exotic and high quality alternative.

Like any other product, future success will be based on providing a consistently high quality of service and establishing a good relationship between the buyer and the seller.

Despite the fact that the military and outfitting industry have their problems, it may be possible for the outfitting sector to benefit from the presence of military interests in the area. For example, if direct flights from Germany and Holland were put in place to service the needs of the military, it may be possible for outbound wholesalers from these countries to secure low price seats for their customers, thereby increasing the potential of these markets.

Table 4.1 provides an outline of marketing activities by market segment and assigns primary responsibility for implementation and priority.

4.1.2 - Lobbying Activities

The L.O.A. has a strong role to play in representing the interests of the outfitting sector.

Concerns which are, and will continue to affect the industry include:

- The non-regulated use of natural resources by non-residents

TABLE 4.1
MARKETING ACTIVITIES

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years)		
			0-2	3-5	5-10
All markets	• Develop quality lure brochure of Central Labrador. Brochure should be highly graphic highlighting key tourist opportunities, e.g., dining, accommodation, attractions.	LCTC	•		
	• Distribute brochure to information centres, hotels, restaurants, etc. within the area.	LCTC	•		
	• Distribute brochure outside of area and province with other Labrador materials.	D.LAB.	•		
	• Ensure regional tourism products are represented in all relevant Labrador and provincial tourist publications, i.e., special events, attractions, accommodations.	LCTC D.LAB.	•		
	• Establish a specific graphic and catchphrase to be utilized on all printed material to provide consistent and identifiable image e.g., capitalizing on the Goose image, establishing the region as a hub or gateway to Labrador.	LCTC	•		
	• Develop and distribute a local event schedule to local media, L.M.A., government publications, etc.	LCTC Event Committees	•		

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years)		
			0-2	3-5	5-10
All markets (cont'd.)	• Encourage cooperative production of tourism guide and map by local merchants, hotel operators, etc. This brochure would provide more detail than the lure brochure but of a lower quality.	LCTC Private sector		•	
	• Encourage key hospitality operations to undertake individual advertising efforts.	LCTC	•		
	• Participate in any Labrador-wide tourism promotions undertaken by the L.M.A. of the province.	LCTC	•		
	• Undertake a signage improvement program in the area. Clear directional and welcome signage should be developed at entry points, i.e., airport, ferry, road at minimum.	LCTC	•		
	• Liaise with military base representatives with respect to proposed flights from Germany and Holland. Begin a program to work with wholesalers and airlines in this market.	D.LAB.		•	•
	• Encourage the development of a coffee table book on Labrador.	D.LAB.		•	

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years)		
			0-2	3-5	5-10
All markets (cont'd.)	• Encourage the wider distribution of Labradorite as publicity for the area.	D.LAB.	•		
	• Work with Provincial Department of Tourism to develop advertisements which incorporate Central Labrador in them.	D.LAB.		•	
	• Develop a series of brochures which outline attractions by theme, e.g., history, wilderness, etc.	LCTC			•
	• As part of any publicity on the NATO installation, ensure that the local tourism industry is well represented.	LCTC D.LAB.	•		
	• Establish a series of mini-packages designed for the business traveller coming into the area, e.g., one-day fishing trips, sightseeing tours, etc.	LCTC Private sector	•		
	• Encourage packaging efforts between transportation carriers and the various operators in the region, e.g., all inclusive air and/or ferry trip including rental car, accommodation, attractions visits, etc.	D.LAB. LCTC	•		

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years) 0-2	3-5	5-10
All markets (cont'd.)	• As part of the interpretive centre facility development there will be a number of portable exhibits which profile the area and the wider region. Ensure that these exhibits are rotated, in the off-season, to key trade and travel shows attended by the province.	D.LAB. Dept. of Tourism			•
	• Encourage the production of a series of 'Goose Products' which are sold locally and/or used for promotional activities.	LCTC private entrepreneurs		•	
	• Represent Central Labrador's marketing interests on the LMA Executive Committee.	LCTC	•		
Fishing	• Advertise in relevant publications, organization's newsletters. Advertisements can be independent or cooperative ventures, the latter providing a greater level of exposure. Cooperative advertising could include a number of outfitters, a transportation carrier and provincial government partners.	LOA Independent Outfitters	•		
	• Develop a number of editorial stories on the outfitting product. Invite media representatives and travel writers to the area.	D.LAB. LOA	•		

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing 0-2	3-5	5-10
Fishing (cont'd.)	• Host a series of FAM trips to key buyers in target markets. Buyers should be prequalified as to their potential volumes of sales.	LOA Independent Outfitters D.LAB.		•	
	• Hire a marketing manager based out of the U.S. to sell the outfitting opportunities of the area. Manager will attend trade shows, act as sales agent for organization.	LOA	•		
	• Direct independent and cooperative fishing packages for individual and group purchase. Primary markets will continue to be U.S., however European markets will become increasingly important.*	Independent Outfitters LOA Tourism Canada	•		
Adventure	• Establish a good relationship with specialty adventure wholesalers to develop and sell the Labrador product (note listing at end of report for adventure buyers). The wholesalers should be introduced to local outfitters who can provide inbound assistance.*	D.LAB. Dept. of Tourism Tourism Canada	•		

* To access European markets and respective wholesalers, the L.O.A./L.M.A. will need to work with the Federal Government, i.e., overseas trade offices, Consulates.

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years)		
			0-2	3-5	5-10
Adventure (Cont'd.)	• Develop a number of editorial stories on Labrador's adventure product. Invite media representatives, travel writers into area.	D.LAB.	•		
	• To add stature to adventure packages, consider contacting a well-known wilderness photographer or mountain climber to lead a package.	D.LAB.		•	
General Tourism	• Develop a self directed tour map of local community of Happy Valley-Goose Bay and region.	LCTC		•	
	• Establish good contacts with bus tour companies, wholesalers now visiting Labrador West.	D.LAB. LCTC	•		
	• Establish a series of motorcoach and independent touring packages which include communities in Labrador West and Central Labrador. A sample package could, from Labrador West include a stop at Churchill Falls, a trip to Northwest River, a tour of the interpretive centre and dinner at a local restaurant.	D.LAB. LCTC		•	
	• Establish linkages with Labrador Straits Tourism interests to extend packages along the Great Labrador Circle.	D.LAB. LCTC		•	

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years)		
			0-2	3-5	5-10
Visiting Friends and Relatives/Resident Market	• Develop print campaign aimed at local residents of area designed to educate them with respect to tourism, e.g., tourism as a career, value of encouraging friends/relatives to visit, value of local events, etc.	LCTC		•	
	• Invite media (regional, St. John's and Halifax) to participate in local special events to gain exposure, visit local attractions in area, etc.	LCTC	•		
	• Keep regional tourism community informed of tourism development activities through local media.	LCTC	•		
	• Develop a series of packages in support of major events.	LCTC			•
Skiing	• Develop a series of winter packages in the area including alpine and cross-country skiing, snowmobiling, dog sledding and trekking. These should be marketed regionally and provincially through ski clubs and shops.	LCTC		•	

TABLE 4.1
MARKETING ACTIVITIES
(continued)

Market Segment	Description of Marketing Activity	Reponsibility	Phasing (Years) 0-2	3-5	5-10
Military	• Introduce a series of lower cost fishing and adventure packages for local transient flyers.	LOA LCTC	•		
	• Introduce a series of lower cost local recreation packages, e.g., boat trips, day trips, etc.	LCTC	•		
	• In support of the military interpretive centre, target promotional literature and packages to regions and flying clubs in Canada and the U.S.	D.LAB. LCTC			•

- The protection of trophy waters
- The enforcement of policy of the above
- Increased road accessibility into Labrador's wilderness
- Etc.

The outfitting sector's interests, unfortunately, straddle the mandates of a large number of government agencies. The value of the industry to Labrador and the province as a whole must continue to be emphasized when dealing with these agencies in matters which affect the long-term livelihood of the industry.

It will be critical for communication between the outfitting industry and military interests to be increased so that the integrity of the natural resource base of Labrador is maintained.

Policies protecting this resource must be put in place if the sector is to thrive over the longer term.

Table 4.2 outlines the various development oppportunities identified in the Tourism Plan which may be a focus of lobbying efforts.

TABLE 4.2
PHASING OF DEVELOPMENT PRIORITIES

Opportunity	Responsibility	Capital Costs	Priority (years) 1-2	3-5	5-10
PRODUCT DEVELOPMENT					
Interpretive Centre •					
• Complementary services	• Public Sector with Military	$ 802,000	X		
▸ guided bus tours	• Local tourist corporation and military interests			X	
▸ formalize air show				X	
▸ designate jet viewing area			X		
• Development of 1945 canteen/lounge	• private sector	$ 75,000		X	
Landmarks/Information Plaques	• local community groups • local tourist corporation	$ 1,200 each assume three	X	X	
Community Identity Development Campaign	• community councils • local tourist corporation	$ 2,500 per community assume $15,000	X		
Northwest River Day-trip Destination •	• private sector • community of Northwest River/ Shesheishiu	$ 465,600	X	X	
Local Tour Boats	• private sector	$ 65,000		X	
Sightseeing Plane	• private sector	$ 150,000		X	

• Denotes development as a high interest opportunity detailed in Section 5.4 of the Tourism Plan.

TABLE 4.2

PHASING OF DEVELOPMENT PRIORITIES
(continued)

Opportunity	Responsibility	Capital Costs	Priority (years)		
			1-2	3-5	5-10
Summer Wilderness Camp	• community groups • private sector	$ 60,000			X
Labrador West Road Services	• private sector	N/A		X	X
Coastal Road Link	• local tourism corporation • Labrador Tourism Association	N/A	X	X	
Wilderness Lodge	• private sector	$ 450,000		X	
New Fishing Camps	• private sector	N/A			X
Goose Products	• private sector • local tourist corporation	Assume $10,000		X	
Foreign Specialty Services	• private sector	N/A			X
Gosling Park*	• Options include: - Provincial Park operation - Private/Semi private sector - Public sector - Committee	--	X	X	

TABLE 4.2
PHASING OF DEVELOPMENT PRIORITIES
(continued)

Opportunity	Responsibility	Capital Costs	Priority (years) 1-2	3-5	5-10
National Park	• Parks Canada • Dept. of Tourism & Development • Labrador Tourism Corporation	N/A		X	
Boat Access	• Marine Atlantic • private sector	NA		X	
Churchill Falls	• local tourism committee • Town of Churchill Falls • Hydro Electric interests	-		X	
SPECIAL EVENTS					
Expand/Improve Existing Events	• Event committees		X	X	X
Goose Games	• Labrador Tourist Associations • Community groups			X	
Return to the Goose	• Event committees • Military interests			X	
Event Co-ordination and Promotion	• Local Tourist Association		X	X	

5.0 OTHER ISSUES

Arising from the public consultation process with the local industry, a number of issues relating to trends and policies became obvious. This section highlights the issues which were raised and presents a discussion of further comments which relate to the issue at hand. Additionally, the following section offers examples of how the Northwest Territories is dealing with these concerns, where suitable, as an information base for future activities in Central Labrador.

1. Issue : Outside Takeovers and Rationalization of the Industry

The industry noted a concern with respect to the "buying out" of traditionally local operations by outsiders and the amalgamation of smaller independent operators into larger corporate structures.

Further comments on this Issue:

- This activity may negatively impact the economic benefits which will accrue locally.
- From a marketing perspective, this process is good in that more extensive marketing budgets may be available and the opportunity for cooperative activities between associated operations is made possible.
- To slow this evolution of the industry, it will be necessary to encourage local people to operate camps and to ensure that there are no limitations to local participation. This will require funding and training support from government agencies.
- By improving the profitability of existing operations by effective marketing and improving the product which is offered, this will reduce the interest on the part of the operator to sell their operation.

How the Northwest Territories have approached this issue:

The Northwest Territories tried in the past to enforce a policy limiting outside ownership of the outfitting industry; however, although the policy is "still on the books", it is not being enforced. This is due to the fact that the policy would likely be successfully challenged under the Canadian Constitution.

Over the last eight years, however, a number of new procedures have been put in place to ensure that outside investment is controlled:

- There is a regulation in place that, in order to obtain permission to go ahead, a developer must provide evidence that the application is "in the best interests of the local people". Therefore, as long as benefits are shown to accrue locally (in terms of employment, local purchasing, points of departure, etc), the government does not limit outside ownership.

  This approach has been very effective in reducing "fly-by-night" investment in the area.

- There are contribution program initiatives in place in the territory to assist local people to "buy out" outside operators, where these operators are not deemed to be good corporate citizens or if the project has failed.

- Once the proponent has shown that the project will create positive local benefits, then there is a process of "right of first refusal" for native people for any new outfitting/lodge projects. As long as a native person guarantees development within a stipulated length of time, the proposed outside development can be halted.

  Typically investors, therefore, will develop a benefit package which includes offering opportunity for local people to buy minority shares or participate in partnerships for the project. In this case, with local participation, the project does not have to be circulated for refusal as discussed.

With the above policies in hand since the early 1980's, the native people (who represent approximately 70% of the total population) now own a majority of the outfitting industry - a dramatic change from the situation eight years ago when outside ownership prevailed.

2. Issue : Native Development and Involvement

There is a concern that there is a general lack of involvement by native people in the outfitting sector with only a limited number of camps being native run and operated.

Further comments on this Issue:

- If the objective is to involve more native groups in the operation then the industry/government must find means to encourage them to do so. This will require funding and training support.

- A community based tourism plan has been suggested for the northern and coastal portions of Labrador. This process may assist in motivating native groups to become more actively involved in the industry.

How the Northwest Territories have approached this Issue:

The Northwest Territories is in a different position with respect to this issue as the majority of the population is native.

In the past there have been territorial programs to encourage northern (i.e., native) ownership of operations; however at the present time only the Federal government has an affirmative action program in place.

The territorial government makes local people aware of such federal programs as C.A.E.D. (Canadian Aboriginal Economic Development Program).

The Territorial government makes an effort to treat all operators the same and have established general programs which can be targeted to those operations which need help (e.g.,

product improvement programs, management assistance programs, facility upgrading programs, training assistance programs, etc.).

3. Issue : Encouraging Participation in Industry Organizations

The Labrador Outfitters Association is successfully evolving as an organization as the plan has noted. As is the case with many organizations, it is always difficult to motivate the private sector to participate and become involved in the association, this exacerbated by the competitiveness of the industry and the geographic distribution of the outfitters.

Further comments on this Issue:

- As is the case with any organization, the L.O.A. must continue to prove itself to the industry so that, with time, participation is maintained and increased.

- With the hiring of an association marketing manager, a number of new activities will be undertaken on behalf of the membership, thereby reducing the need to rely on voluntary participation alone.

- Increased marketing will result in higher occupancies. The benefits of association membership, therefore, will become obvious with time.

How the Northwest Territories have approached this Issue:

The Northwest Territories had, and continues to have, a problem in this area. There have, in this regard, been many debates whether financial support programs should be linked with membership in industry organizations.

At the present time, approximately $2.0 million in program money is provided to various industry associations for marketing assistance, community infrastructure development and general product-related activities. Generally this money is "passed-on" to supporting members on a non-individual basis for community/cooperative activities (e.g., cooperative marketing activities, information signage programs, local festival support, etc.).

Other government programs exist which require the proponent to secure support from the local travel association; this in turn encourages organization affiliation.

4. Issue : Low Level Flying

There is a concern that the present flying activity is negatively impacting the outfitting industry.

Further comments on this Issue:

- A socio-economic study is currently being undertaken to evaluate the impacts of the proposed NATO Training Centre.

5. Issue : Introduction of New Outfitting Product

There is a concern that there is a need to upgrade some existing operations in the region.

Further comments on this Issue:

- The current occupancy levels indicate that, at the present time, no new operations should be encouraged. New plant should be encouraged over the longer term.

- This is not to say that plant improvements should not be encouraged. Wherever possible, the private sector should be encouraged to improve both their operations, both physically and in terms of their marketing activities.

6. Issue: Resource Quality/Depletion and Resource Management/Protection

Outfitters are concerned for the long-term well-being of natural resources in the region to assure the livelihood of their operations in the future.

How the Northwest Territories have approached this Issue:

There are general laws of application in the Northwest Territories with respect to hunting and fishing limits, these are set by the Provincial Department of Renewable Resources and the Federal Department of Fisheries and Oceans. Additionally laws exist relating to the harassment of wildlife as well as health regulations with respect to the quality of the environment.

The Northwest Territories has established biological capacities for each lake where tourist establishments exist and, on this basis, restrict the size of operations on the lake measured in terms of allowable bed nights. The objective in establishing this formula - which takes into account the size of the lake, various fish studies, levels of visitation and visitor length of stay - is to maintain the quality of the fishery.

It is recognized that it would be difficult to justify these formulas mathematically, however this approach has allowed the NWT to establish restriction levels on certain lakes. Operators have generally reacted positively to this approach, as it often allows operators to maintain exclusive rights to a lake, however sometimes operators are faced with limited expansion potential on their operations.

The NWT is now in the process of refining these lake limits to make them more precise. The NWT is considering eliminating "bed nights" as a unit of measure and replacing it with "visitor days", which can allow for such other variables as non-consumptive uses of the lake (e.g., canoe use), length of season and size of operations.

Trophy lakes and non-trophy lakes will have different levels of control based on this unit of measure.

7. Issue : Non-regulated Use of Resources by Non-Residents

There is a concern that non-residents, including the military, are utilizing Labrador's resources without the benefits of an outfitter. There is a concern that, with increased road access into the area, this situation will worsen.

Further comments on this Issue:

- The industry would like to see regulations put in place which would require the use of an outfitter in the region as has been done in other provinces (e.g., Quebec).

How the Northwest Territories have approached this Issue:

The Government of the NWT has no control over the non-commercial use of resources in the territory. There are, however, "travel restricted" areas where all non-residents have to utilize local outfitters. These areas are designated on the basis of the location of outfitters and the sensitivity of the environment to use.

Public debates have occurred on this issue with the decision that it is better to designate particular areas as "restricted" rather than to take a 'blanket approach' for the entire region.

The rationale for this includes:

- Some areas are used extensively by the public and cannot be restricted at this time.
- It was perceived that positioning the N.W.T. as 'closed' to outside use without local outfitter participation would be detrimental.
- Certain local industries benefit from casual, non-regulated use (e.g., canoe/boat rentals, etc.).

In total, it is perceived that it is beneficial to both consumers and the industry to offer a range of products, including managed trophy lakes and backcountry areas and unregulated public areas.

8. Issue : Trespassing and Enforcement

Hand in hand with the previous issue there is a concern that - given the size of the land base in question - even with policies in place, enforcement will continue to be a problem.

How the Northwest Territories have approached this Issue:

The Northwest Territories do not have any trespassing laws in place, however controls exist to regulate conflicts between businesses.

When licenses are granted, specific areas of operations are established. In some cases, geographical areas may overlap but due to seasonal differences, no conflicts occur. Where two businesses have the same season of operations, geographic coverages are distinct.

If an operator strays outside of his defined area of operation his license may be revoked. Encroachment (where it occurs) is reported to government officials which, in turn, results in a monitoring of the site.

9. Issue : Improving the Quality of Marketing of the Outfitting Product

The current industry exhibits a range of sophistication in terms of its marketing activities. Generally outfitters would like to expand their success in the marketplace, both by moving into new geographic markets and by introducing new products into the market.

Further comments on this Issue:

- The tourism plan has offered guidelines to improve the marketing of the area generally.
- The plan has endorsed the hiring of a marketing manager for the L.O.A.
- This plan has emphasized that the L.O.A. must continue to advocate cooperative marketing activities between outfitters, carriers and government.
- It has been recommended that 'Destination Labrador' (a Labrador-wide marketing agency) be responsible for marketing the non-consumptive outfitting product i.e., adventure travel, working with the L.O.A. marketing manager wherever possible.

- It has been recommended that a higher level of financial support be provided for the marketing of Labrador's products as a unique and distinct destination from the rest of the province.

How the Northwest Territories have approached this Issue:

At the present time the Territorial Government does all territory-wide marketing including radio, television and print advertising to create an image for the destination.

In an evolving relationship, the industry associations have the mandate to do regional marketing; each distinct region has a marketing committee to facilitate this.

Marketing budgets are as follows:

- The Territory allocates over $2.0 million in their consumer promotions budget for such activities as publications, direct marketing and servicing. Generally $1.25 million is allocated to marketing activities and $.75 million to consumer servicing activities.

- The industry associations receive approximately $2.0 million. An estimated $1.25 million is allocated to regional and individual marketing activities with the remaining budget allocated to hospitality training and product development activities.

10. Issue : Air Service Competition and Deregulation

Concern was voiced that the current situation in Labrador is such that reasonable pricing is not possible due to a lack of competition in the airline sector.

Further comments on this Issue:

- This situation is a function of supply and demand and is, therefore, outside the scope of this study.

- As the market for outfitting in the area increases it is logical that new entrants in the market may be encouraged, thereby increasing the level of competition.

11. Issue : Outfitting Leases

It has been suggested that the current lease structure needs to be revised, lengthening the timeframe to encourage investment in the sector.

How the Northwest Territories have approached this Issue:

In the Northwest Territories, leases can be secured for an undetermined length of time. Annual renewals are provided unless just cause is shown. As long as the conditions which are attached to the license are met, leases can be maintained ad infinitum.

12. Issue : Land Claims

The issue of land claims is a concern to existing non-native operators and will directly influence the level of native involvement in the outfitting industry.

How the Northwest Territories have approached this Issue:

There are two types of land holdings in the Northwest Territories. "Selected lands" are those lands which, through the land claims process, are owned by the native people. All other lands in the territory are crown lands.

On non-selected lands, project proponents must go through the process as outlined in Issue 1 in this section. On selected lands, project proponents must deal directly with the landowner (i.e., the native population) as would be the case for any private land holding.

13. Issue : Overlap of Jurisdictions in Dealing with Policies Relating to Outfitting.

There is a concern that the outfitting sector is "falling between the cracks" of various government departments and this is impeding the introduction of new policies, slowing down processes, etc.

Comments on this Issue:

- This situation is not limited to the outfitting sector as many organizations must deal with a number of government departments and agencies to achieve their various objectives.

- The key to dealing with this situation is to work toward creating a strong, unified front by way of the L.O.A. and its activities